



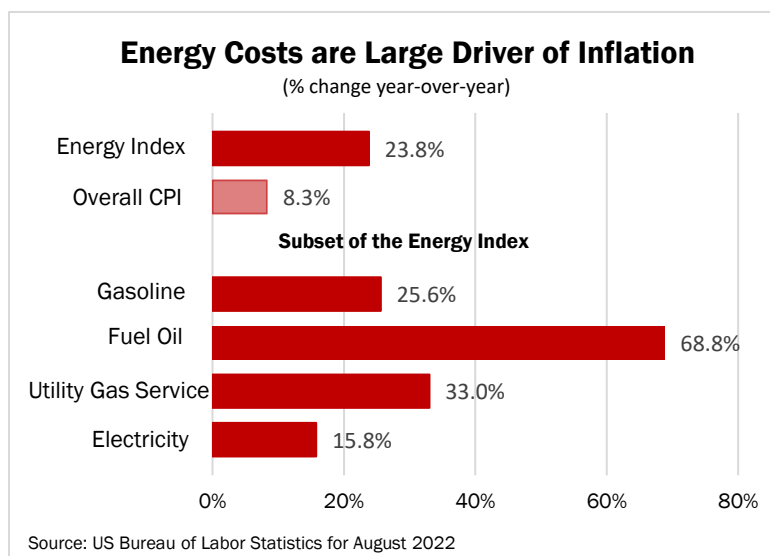
REGULATORY COSTS WORSEN INFLATION

Federal regulations impose a substantial cost on American businesses, over \$1.9 trillion annually to be exact.¹ Consequently, the cost of complying with these regulations leads to higher prices of certain goods and services for consumers.² Even worse, research shows that poorer households spend a larger proportion of their income on items that are more regulated.³

The Obama administration issued over \$890 billion in new regulatory costs during his tenure.⁴ The Trump administration took action to reduce this burden by eliminating \$198.6 billion in regulatory costs, which averages a savings of \$1,546 for every American household.⁵ Unfortunately, President Biden issued over \$201 billion in new regulatory costs in his first year alone, despite soaring inflation.⁶ Listed below are a few examples of the Biden administration's actions that put upward pressure on prices.

- **Biden's energy policies drive up costs.**

- Canceling the Keystone XL pipeline
- Freezing oil and gas leasing on public lands and waters⁷
- Incorporating the social cost of greenhouse gases into environmental reviews of new oil and gas leases⁸
- Restricting access to capital for oil and gas companies by mandating "climate-related risks" in financial disclosures (*Read more in the RPC guide titled "The Danger of Mandating ESG Disclosures."*)⁹
- Stalling approval of over 4,000 pending Applications for Permits to Drill¹⁰
- Increasing the volume of biofuel mandated to be included into gasoline¹¹
- Reinstating energy restrictions on household appliances as part of the "Energy Conservation" program, which will lower performance in addition to increasing the cost of appliances.¹²
- *Read more in the RPC guide titled "Biden's 'America Last' Energy Policy."*¹³

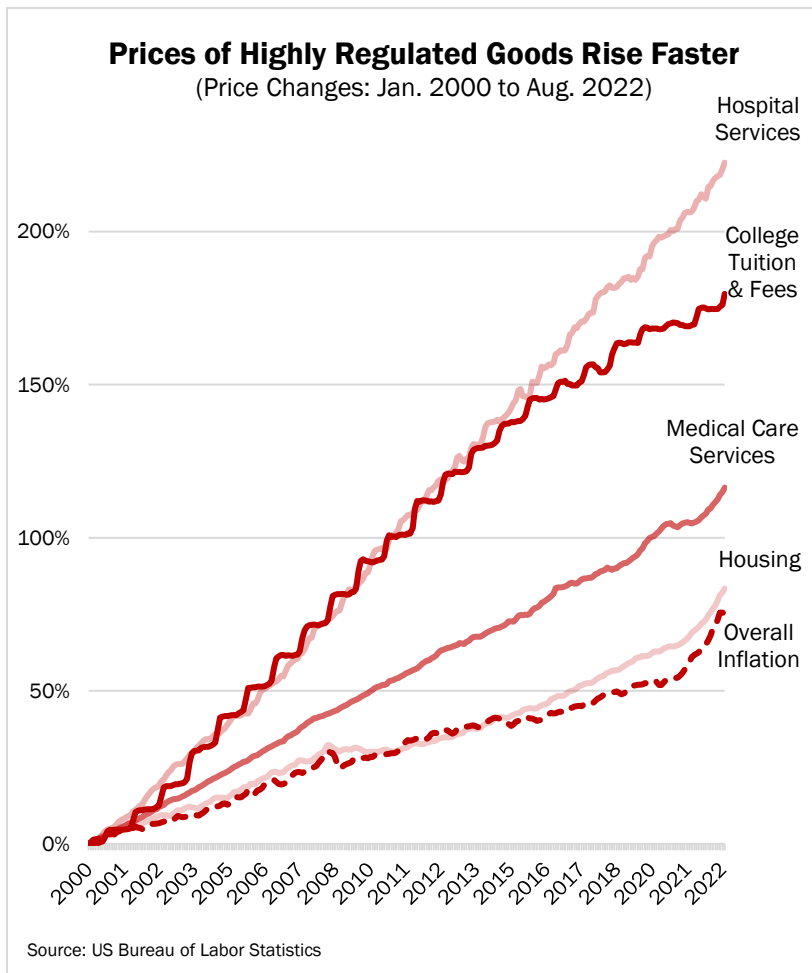


- **The White House and administrative state aren't making things more affordable.**

- Irrespective of President Biden's student loan forgiveness plan costing the federal government an estimated \$519 billion, the forgiveness, extension of loan forbearance, and new income-driven repayment program will incentivize future students to take out larger loans and colleges to increase tuition costs.¹⁴
- Actions taken by Biden's Centers for Medicare & Medicaid Services (CMS), such as curbing special enrollment period verification requirements for qualified health plans,¹⁵ allowing participants to skip premium payments and enroll year-round,¹⁶ and fast-tracking Medicaid enrollment while simultaneously curbing eligibility reviews, will not only increase costs and fraud, but also place

additional burdens on state budgets.¹⁷

- The Federal Housing Finance Agency (FHFA) is increasing risk to the GSEs by weakening their capital requirements,¹⁸ allowing them to buy higher-risk mortgages by suspending caps on investment properties and second home loans,¹⁹ and requiring them to implement “Equitable Housing Finance Plans” to further subsidize homeownership,²⁰ which will only further inflate housing prices. *Read more in the RPC guide titled “The Future of Fannie and Freddie.”*²¹
- The National Labor Relations Board’s new proposed joint employer rule to reclassify independent contractors as franchise employees could lead to increased costs in the gig economy.²²
- Last December, the Environmental Protection Agency (EPA) issued a set of vehicle emission standards running through model year 2026 that are considered the toughest in U.S. history. The Biden administration plans to expand upon these regulations so half of all new cars and light-duty trucks are zero-emission vehicles by 2030.²³



- The Department of Interior rolled back the endangered species changes from the Trump administration that protected landowners and is considering introducing “experimental” populations that would apply to land where a habitat of an endangered species may be in the future but isn’t yet. This would lead to incredible uncertainty and increased costs for property owners, energy developers, and any others who environmentalists may want to target.²⁴

As you can see from the chart inspired by the original “chart of the century” created by Mark Perry, prices of goods in industries that are highly regulated or government-subsidized tend to rise faster than the average rate of inflation.²⁵ Despite the understanding of this relationship by economists, Democrats continue to push for more mandates or subsidies while claiming these policies will lower prices. Given the current high rate of inflation, Congress should be doing everything in its power to reduce the regulatory burden and its upward pressure on prices.

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